

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: Level of Service Standards

ITEM NUMBER: 7

ATTACHMENT: 1

ACTION: \_\_\_\_

DATE OF MEETING: February 7, 2002

INFORMATION: X

PRESENTERS(S): Michael Carter

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**EXECUTIVE SUMMARY**

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following reports for the month of December 2001.

**I. Overview**

A. CalSTRS paid a total of 173,809 benefit recipients \$346,724,056 in December 2001. The average monthly allowance roll for FY 2001/02 is \$342,786,280. Total disbursements for FY 2001/02 are \$2,056,717,680.

**B. Service Levels:**

1. Service Retirements – Ninety-nine percent of initial payments are being processed within 30 days, resulting in no disruption of cash flow for CalSTRS members. Regarding Finalizations, the 90 percent goal to finalize payments in four months will be met on a flow basis beginning with October 2001 retirements and the backlog will be eliminated in approximately 90 days.
2. Disability – These benefits continue to be processed within Board established standards (98 percent of applications processed within the established timeframe and 100 percent of payments made within the 30 days).
3. Survivor Benefits – This program was most significantly impacted by conversion and resulted in an approximate 2,000 case backlog due to the inability to process cases (except manual payments for emergencies). Mandatory overtime has been instituted to speed the elimination of the backlog.

4. Telephone Center – Telephone services have stabilized by the use of student assistants. The primary challenge to restoring high services in this area was the exorbitant staff vacancy rate. Staff are pleased to report that several vacancies have been filled and offers will have been made for remaining vacancies by the end of January 2002. Staff are optimistic that the high telephone service levels will be restored in the very near future.
5. Counseling Interviews – Staff continue to anticipate an increase in the demand for counseling interviews. Refer to Agenda Item #6 for strategies to meet this workload.
6. Interest Payments: None were made for Disability benefits. Service Retirements paid \$534 for 9 applications. Survivor Benefits paid \$12,044 for reported deaths. This is in comparison to a total of \$7,018 paid for 139 cases in November 2001. This increase is directly attributable to the backlog of Survivor Benefit cases.

As the Committee is aware, the primary challenge to the Service Level Recovery Plan was the unanticipated vacancy levels experienced during and subsequent to conversion. The vacancy factor was further exacerbated by the low response rate of applications for these vacancies. In addition, the statewide hiring freeze extended our recovery timeline by approximately one and one-half months. Staff is extremely pleased to report that due to special advertisements and the pending budget challenges of other State agencies, CalSTRS is now receiving a healthy volume of applications. As a result, during January 2002 vacancies in critical areas will either be filled or job offers made.

## **II. Individual Program Reports: Pages 1-7**

## **III. Miscellaneous Items: Pages 8 - 9**

# CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

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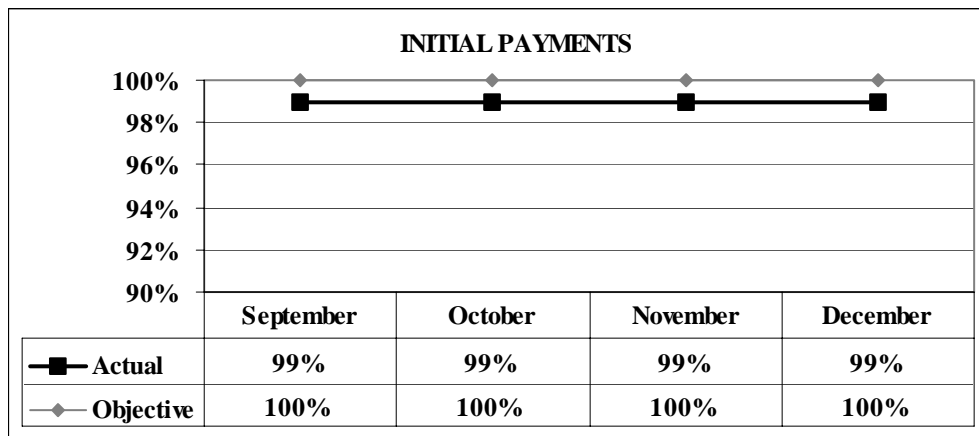
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## Service Retirements

**Objective** Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

**Application Volume Change** Plus 44 percent in comparison to same period last fiscal year.

**Baseline** FY 1998/99 actual: 99 percent



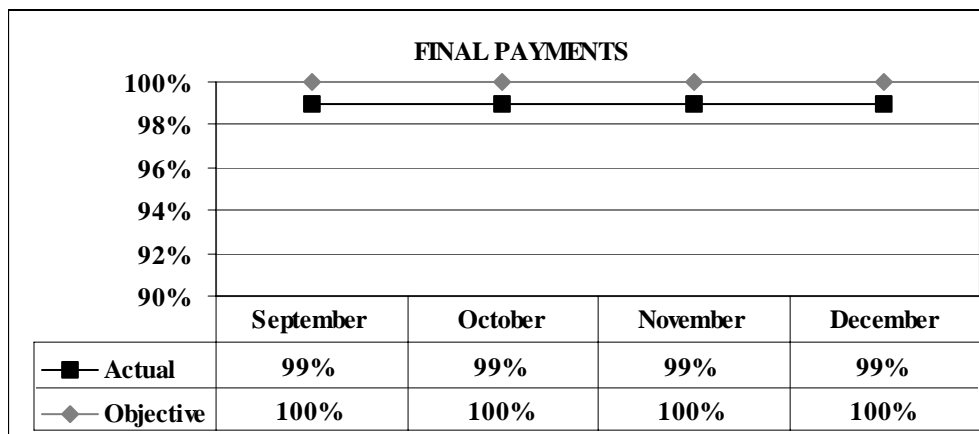
**Year to Date Average: 99%**

**Objective** Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

**Interest Payments** December 2001: 9 payments/\$535

Current Year Cumulative:  
99 payments/\$2,576  
Current Year Monthly Average:  
16.5 payments/\$429  
Prior Year Monthly Average:  
40.8 payments/\$794

**Baseline** FY 1998/99 actual: 98 percent



**Year to Date Average 99%**

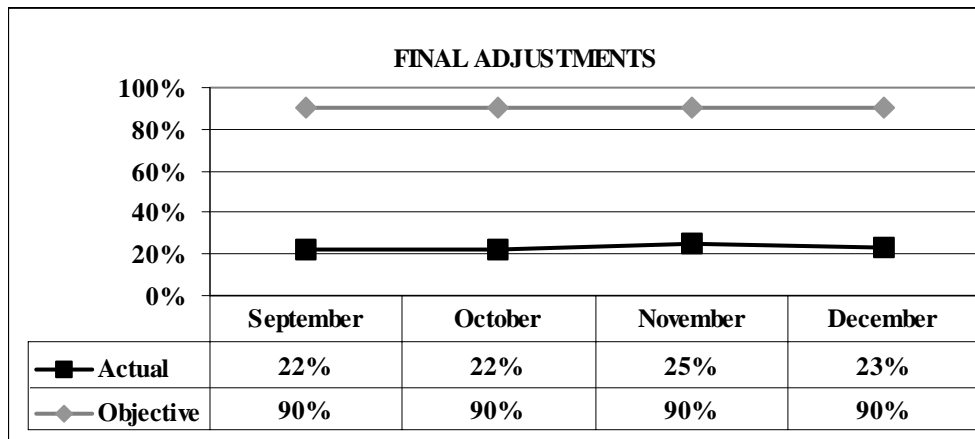
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## Service Retirements

**Objective** Finalize 90 percent of all payments within four months of the retirement effective date.



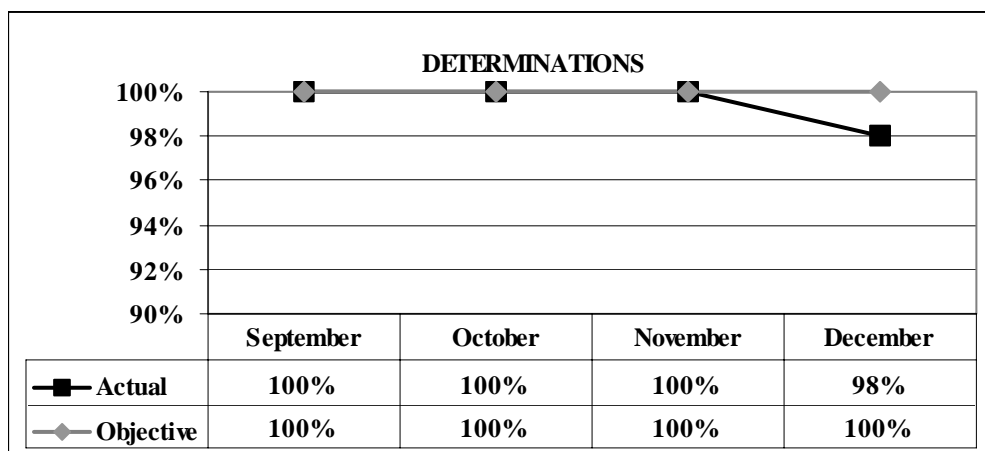
**Baseline** FY 1998/99 actual: 91 percent

**Year to Date Average:** 21%

## Disability

**Objective** Process 100 percent of all eligible applications within 180 days of receipt.

**Application Volume Change** Plus 34 percent in comparison to same period last fiscal year.



**Baseline** FY 1998/99 actual: 99 percent

**Year to Date Average:** 99%

# CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

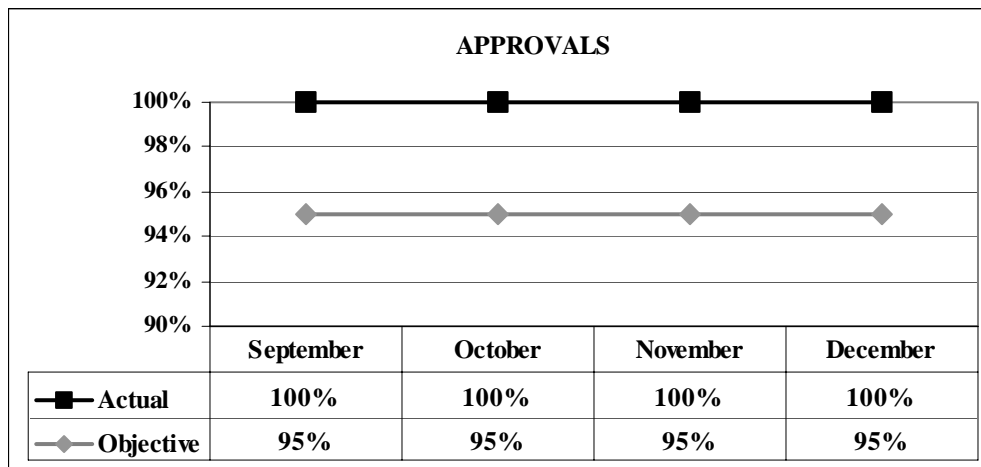
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## Disability

**Objective** Process 95 percent of all approvals within 30 days of receipt of all necessary information.

**Interest Payments** December 2001: None  
Current Year Cumulative: None  
Current Year Monthly Average: None  
Prior Year Monthly Average: None



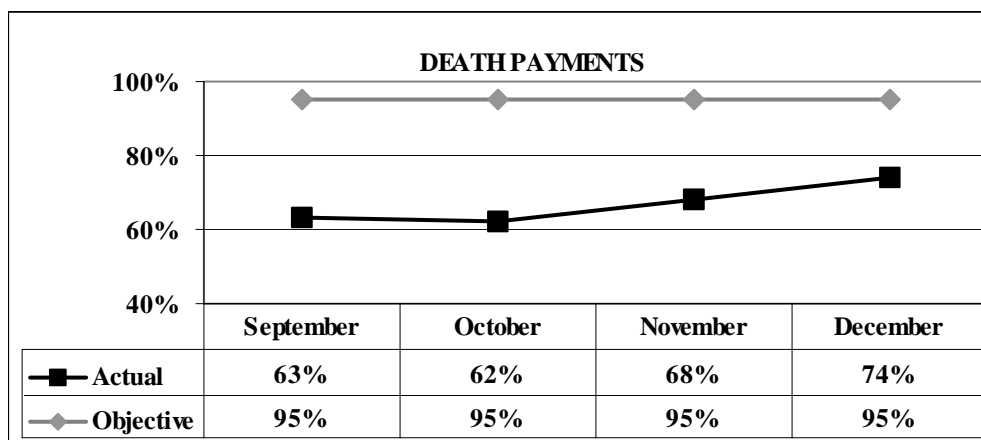
**Baseline** FY 1998/99 actual: 100 percent

**Year to Date Average:** 100%

## Survivor Benefits

**Objective** Process 95 percent of all applications within 30 days of receipt of all necessary information.

**Interest Payments** December 2001: 183 Payments/\$12,044  
Current Year Cumulative: 1,206 payments/\$70,513  
Current Year Monthly Average: 201 payments/\$11,752  
Prior Year Monthly Average: 23 payments/\$794



**Baseline** FY 1998/99 actual: 97 percent

**Year to Date Average:** 63%

# CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

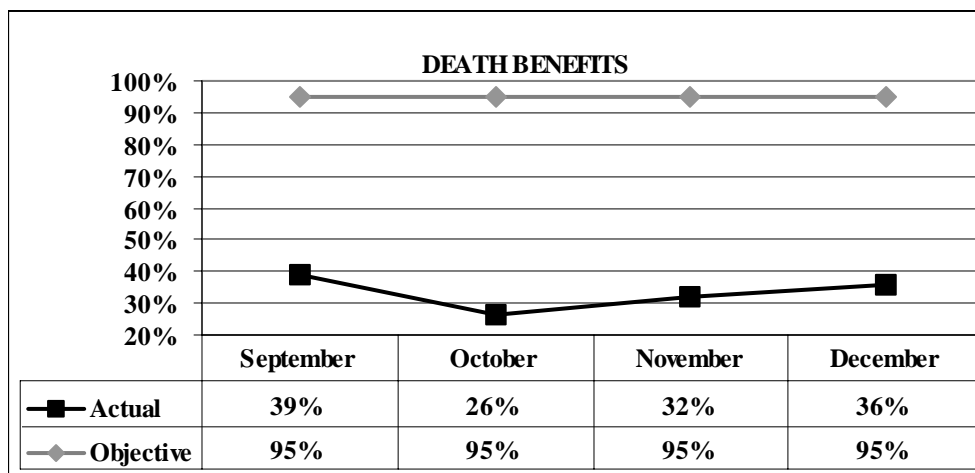
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## Survivor Benefits

### Objective

Complete 95 percent of all payments for retired members within 90 days of receipt of notification of death.



**Baseline** FY 1998/99 actual: 93 percent

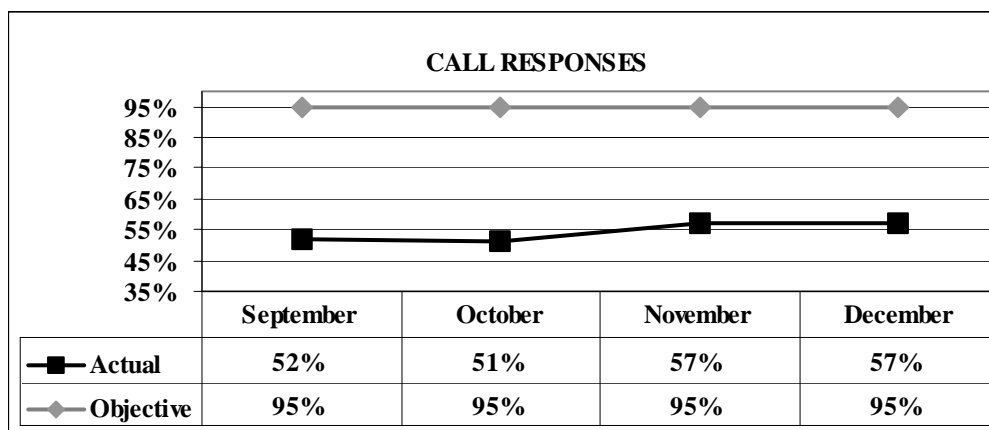
**Year to Date Average:** 40%

## Public Service

**Objective** Answer 95 percent of all calls in less than three minutes.

**Volume Change**

**Notes** Average queue time: 97 seconds  
Longest queue wait: 23 minutes



**Baseline** FY 1998/99 actual: 94 percent  
FY 1996/97 Objective:  
75 percent in less than three minutes.

**Year to Date Average:** 51%

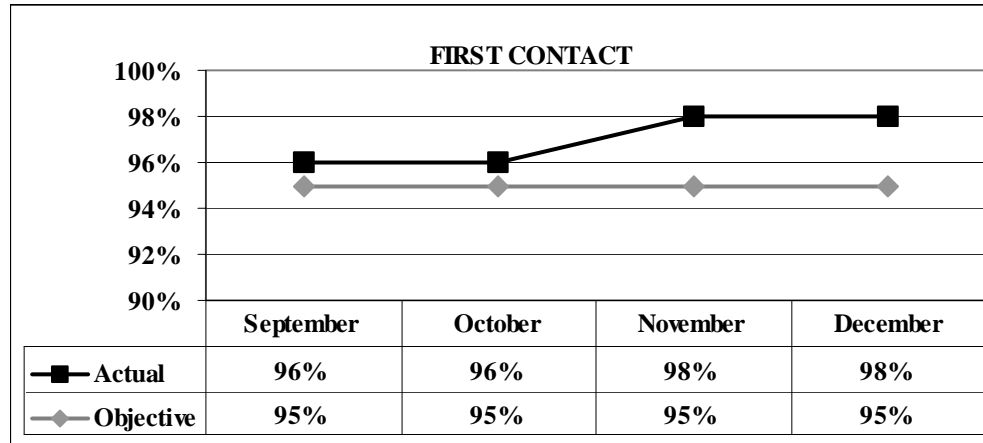
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## Public Service

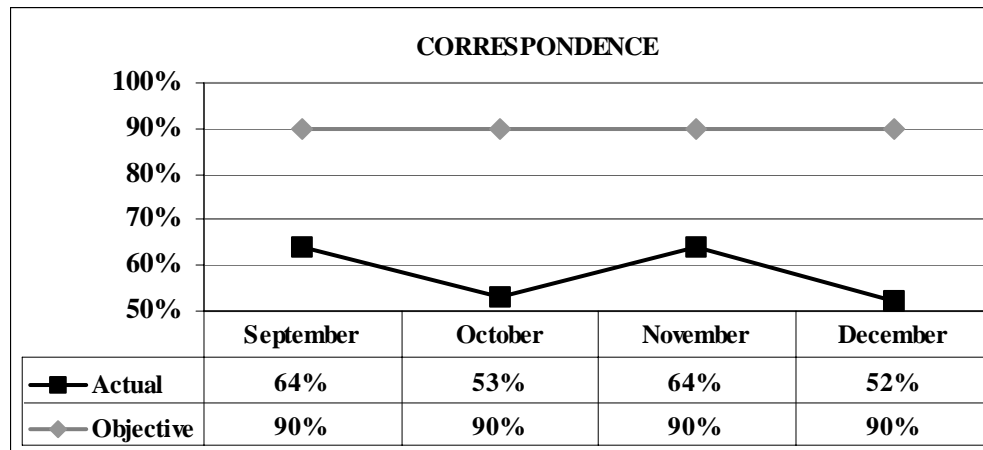
**Objective** Answer 95 percent of all calls on the first contact.



**Baseline** FY 1998/99 actual: 98 percent

**Year to Date Average:** 97%

**Objective** Respond to 90 percent of all correspondence in ten working days.



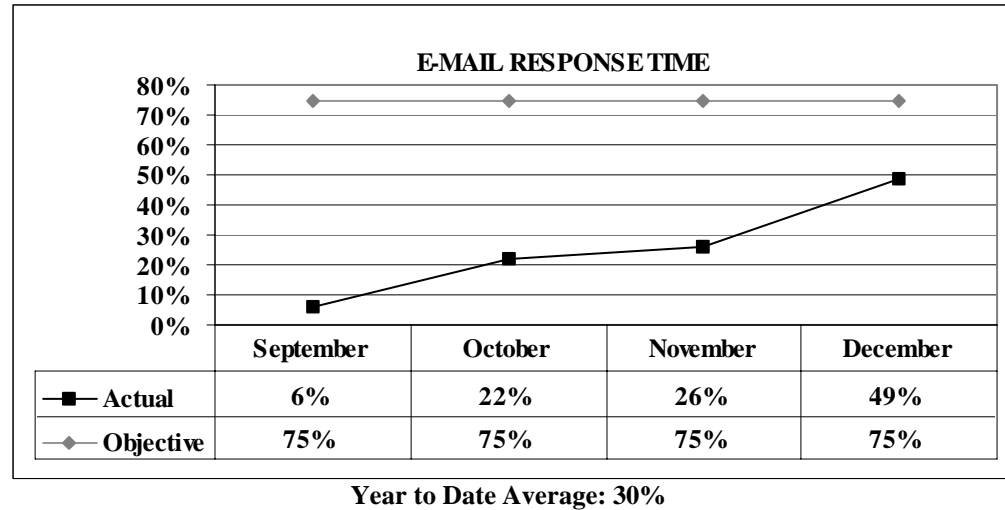
**Baseline** FY 1998/99 actual: 94 percent

**Year to Date Average:** 60%

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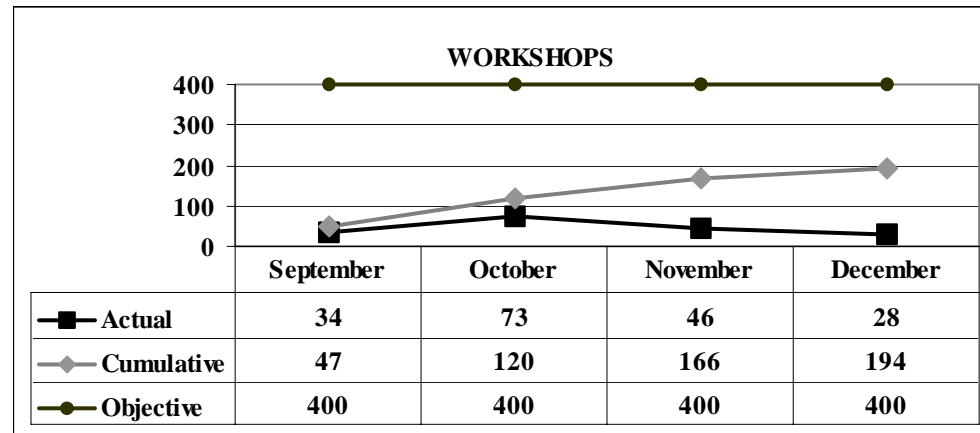
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**Objective** Respond to 75% of e-mails within three working days



## Regional Counseling Services

**Objective** Conduct 400 workshops



**Baseline** FY 1998/99 actual: 491



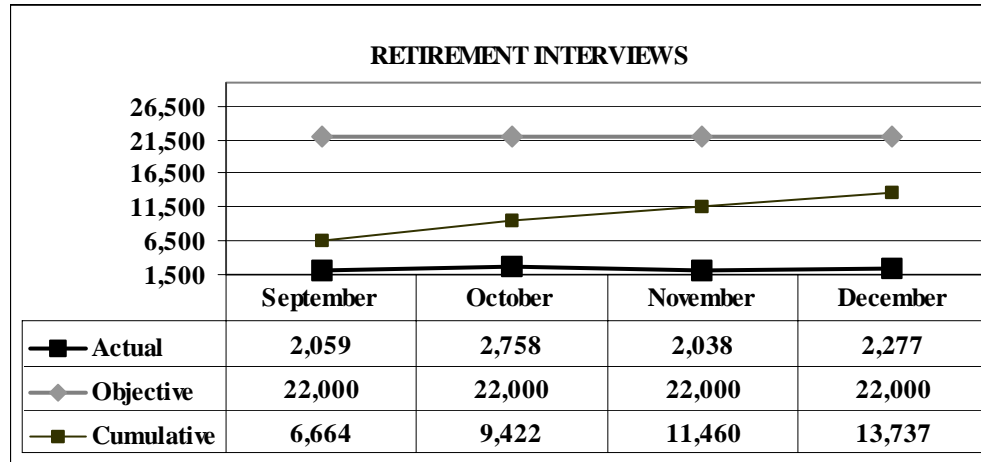
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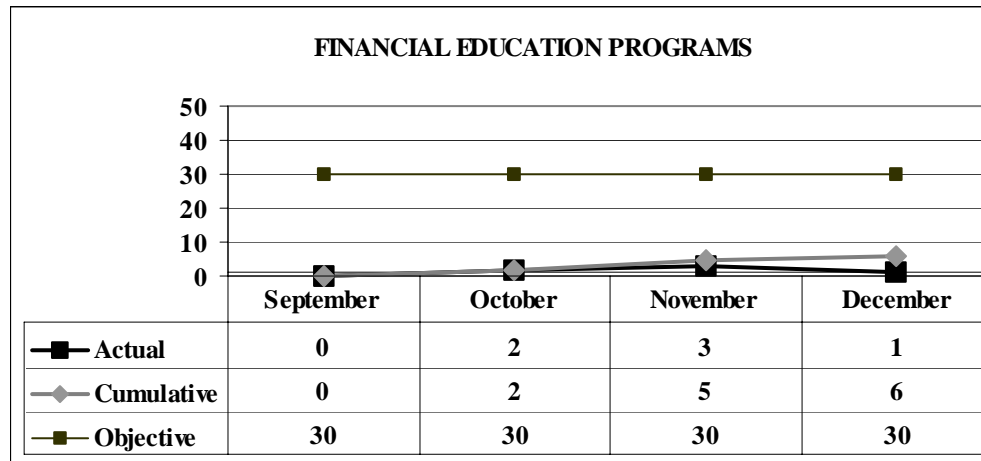
## Regional Counseling Services

**Objective** Provide 22,000 retirement interviews.



**Baseline** FY 1998/99 actual: 24,657

**Objective** Deliver 41 Financial Education Program to CalSTRS members.



**Baseline** FY 1998/99 actual: 32

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**III. Miscellaneous**

**A. Outstanding Survivor Benefit Cases:**

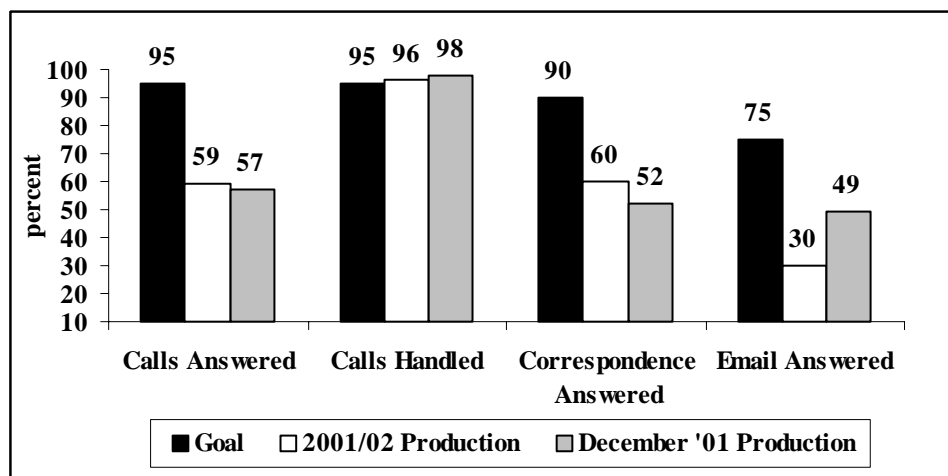
The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of December there were 1,365 exceeding this threshold. In November 2001, there were 1,144 cases beyond the six-month processing period, while in October there were 1,178 cases exceeding the six-month threshold.

**B. One-Year Final Compensation:** During the current fiscal year, no school districts have chosen to participate in this program.

**C. Golden Handshake:**

October - 2000            29 districts / 88 participants  
October - 2001            21 districts / 48 participants

**D. Telephone Center:**



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**D. Telephone Center: (continued)**

